

## Message Text

PAGE 01 JIDDA 04684 240917Z

15  
ACTION SS-30

INFO OCT-01 ISO-00 CCO-00 SSO-00 NSCE-00 DODE-00 CIAE-00

INRE-00 NSAE-00 USSS-00 /031 W  
----- 061885

O R 240746Z OCT 73  
FM AMEMBASSY JIDDA  
TO SECSTATE WASHDC IMMEDIATE 5288  
INFO AMEMBASSY ABU DHABI  
USINT ALGIERS  
AMEMBASSY AMMAN  
AMEMBASSY BEIRUT  
USMISSION EC BRUSSELS  
AMCONSUL DHAHRAN  
AMEMBASSY KUWAIT  
AMEMBASSY LONDON  
AMEMBASSY MANAMA  
AMEMBASSY MOSCOW  
USMISSION OECD PARIS  
AMEMBASSY ROME  
AMEMBASSY SANAA  
AMEMBASSY TEL AVIV  
AMEMBASSY TOKYO  
AMEMBASSY TRIPOLI  
AMEMBASSY TUNIS  
AMEMBASSY VIENNA

C O N F I D E N T I A L JIDDA 4684

EXDIS

DEPT PASS CAIRO; BEIRUT PASS BAGHDAD

EO 11652: GDS  
TAGS: ENRG, PFOR, SA, XF  
SUBJ: SAUDI INCOME TO INCREASE ONE BILLION DOLLARS

REF: JIDDA 4652

CONFIDENTIAL

PAGE 02 JIDDA 04684 240917Z

SUMMARY: DESPITE A 25-PERCENT CUTBACK IN PRODUCTION (REFTEL)  
INCLUDING A TOTAL EMBARGO ON SHIPMENTS TO U.S. AND OFFSHORE  
REFINERIES FOR U.S. MARKET, SAG WILL ACTUALLY INCREASE ITS  
NET CURRENT INCOME BY MORE THAN FOUR MILLION DOLLARS A DAY.

IF THIS LEVEL SHOULD HOLD FOR FULL YEAR, SAG'S SURPLUS OVER PRESENT SPENDING RATE WOULD MEAN A CONTINUED GROWTH IN RESERVES TO \$8 BILLION AND INCREASED ABILITY TO SUSTAIN PAYMENTS TO ARAB

CONFRONTATION STATES. END SUMMARY.

1. QUICK CALCULATIONS JUST FOR THE RECORD, IN CASE ADDRESSEES FEEL SAUDI ARABIA MAY HAVE TO CURB ITS SUPPORT FOR ARAB CONFRONTATION STATES, INDICATE THAT SAG WILL BEGIN EARNING NET ON EACH BARREL OF OIL PRODUCED UNDER NEW OPEC GULF FORMULA MORE THAN THREE DOLLARS. THIS MEANS AT PROGRAMMED 6.6 MILLION B/D LEVEL SET FOR COMING WEEKS UNTIL DECEMBER 1 THAT SAG WILL EARN CLOSE TO \$20 MILLION A DAY, FOUR TO FIVE MILLION MORE THAN BEFORE MIDDLE EAST CONFLICT CUTBACK AND IMPOSED PRICE RISE.

2. WITH SPENDING RATES EVEN IN SEMI-WAR STATE OF ECONOMY PROBABLY NOT EXCEEDING IN ANY CASE EIGHT TO TEN MILLION DOLLARS A DAY, HOLDING THE CUTBACK TO PRESENT LEVELS FOR WHOLE YEAR WOULD MEAN THAT SAG ALONE COULD INCREASE ITS EXPECTED RESERVES BY WELL OVER \$4 BILLION TO \$8 BILLION, OR PROVIDE MASSIVE FURTHER ASSISTANCE TO CONFRONTATION STATES.

3. FURTHER PRODUCTION CUTBACKS AS THREATENED AT THE FIVE-PERCENT-A-MONTH RATE UNTIL ISRAEL WITHDRAWS FROM OCCUPIED TERRITORIES WOULD OF COURSE DRastically MODIFY THIS EQUATION, BUT THE PRICE LEVELS WOULD SURELY RISE AGAIN IF SUCH CUTBACKS WERE IMPOSED.

AKINS

NOTE BY OC/T: NOT PASSED CAIRO.

CONFIDENTIAL

<< END OF DOCUMENT >>

## Message Attributes

**Automatic Decaptoning:** Z  
**Capture Date:** 11 MAY 1999  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FOREIGN RELATIONS, FINANCIAL DATA  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 OCT 1973  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973JIDDA04684  
**Document Source:** ADS  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** n/a  
**Film Number:** P750018-0164  
**From:** JIDDA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t19731065/abqcefib.tel  
**Line Count:** 87  
**Locator:** TEXT ON-LINE, TEXT ON MICROFILM  
**Office:** ACTION SS  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** EXDIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** EXDIS  
**Reference:** JIDDA 4652  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 26 JUL 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <26-Jul-2001 by thigpegh>; APPROVED <30-Oct-2001 by golinofr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** SAUDI INCOME TO INCREASE ONE BILLION DOLLARS  
**TAGS:** ENRG, PFOR, EFIN, SA, XF  
**To:** STATE INFO ABU DHABI  
ALGIERS  
AMMAN  
BEIRUT  
EC BRUSSELS  
DHAHRAN  
KUWAIT

LONDON  
MANAMA  
MOSCOW  
OECD PARIS  
ROME  
SANAA  
TEL AVIV  
TOKYO  
TRIPOLI  
TUNIS  
VIENNA

**Type:** TE

**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005